

VZCZCXRO8252
PP RUEHBW
DE RUEHKV #0832/01 1161258
ZNY CCCCC ZZH
P 251258Z APR 08
FM AMEMBASSY KYIV
TO RUEHC/SECSTATE WASHDC PRIORITY 5452
INFO RUEHZG/NATO EU COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHDC

C O N F I D E N T I A L SECTION 01 OF 05 KYIV 000832

SIPDIS

SIPDIS

E.O. 12958: DECL: 04/25/2018
TAGS: [PGOV](#) [PREL](#) [PINR](#) [UP](#)
SUBJECT: UKRAINE: KYIV MAYOR'S RACE HEATS UP

REF: 07 KYIV 02813

KYIV 00000832 001.2 OF 005

Classified By: Political Counselor Kent Logsdon for reasons 1.4(b,d).

¶1. (C) Summary. With early Kyiv mayor and city council elections scheduled for May 25, and 150 candidates already declared, the race to control the capital city is being seen as an early showdown in the run-up to the presidential elections in late 2009/early 2010. Prime Minister Tymoshenko's BYuT is by far the most popular party in Kyiv, but the strong possibility that Leonid Chernovetskiy could be reelected despite her best efforts could be a blow to her status. Both Tymoshenko and OU-PSD leader Lutsenko have been pushing for Chernovetskiy's removal for more than a year and made it a key electoral promise in 2007, but the coalition has been unable to come to agreement on a single candidate. Tymoshenko has put forward her loyal, but uncharismatic deputy First DPM Oleksandr Turchynov, while Our Ukraine does not have an official candidate, although some in the bloc are backing former boxing champion Vitaliy Klychko, who is the only real competitor for Chernovetskiy. OU-PSD's lack of a candidate and President Yushchenko's opposition to the election in general have prompted some to speculate that Yushchenko's inner circle is quietly backing Chernovetskiy. The current mayor remains the front-runner in large part thanks to his social spending on the poorer parts of the population and his control over local media. However, Klychko told the Ambassador that if Chernovetskiy was reelected, the new city council might refuse to swear him in, as is their legal right, leading to further elections or a backroom political deal.

¶2. (C) Comment. Kyiv is an important city to control with huge financial and media resources, the seat of government and the courts, a politically active population, and the likely site of any protests after a national election. Many have said the Kyiv mayor is the fourth most powerful political position in Ukraine (after the President, PM and Speaker). This election is made more interesting because Tymoshenko has made it a test of her popularity and her political machine -- by picking the uncharismatic and unpopular Turchynov, she has made the elections a referendum on her own political sway and all sides are watching to see how she does. A victory -- which many would not define solely as a Turchynov win, but as a strong Turchynov finish -- would put her in a good position for the presidential elections and strengthen her position vis-a-vis Yushchenko. A failure would conversely weaken her standing some, especially in current political negotiations both within and outside the ruling coalition. In addition, with the coalition unable to agree on a candidate and Chernovetskiy in a good position to be reelected, it has once again been demonstrated that personal and presidential ambitions have overridden the coalition's common goal -- in this case

relieving Kyiv of a corrupt and controversial mayor. End summary and comment.

Removing Chernovetskiy: A Longtime Goal

¶3. (C) Tymoshenko has been gunning for Chernovetskiy since late 2006, when he convinced a number of BYuT city council members to defect to his side; both she and OU-PSD leader Lutsenko made Chernovetskiy's removal a key campaign promise in September 2007 (reftel). This goal became number six on the list of top legislative priorities in the coalition agreement signed between BYuT and OU-PSD in November 2007. Nevertheless, the coalition struggled to put the issue on the Rada agenda and hold a vote. On March 12, the Cabinet discussed corruption in the Kyiv municipal administration and voted to ask Yushchenko to dismiss Chernovetskiy, although five OU-PSD ministers -- DPM Vasyunyk, Emergencies Minister Shandra, Family and Youth Minister Pavlenko, Agriculture Minister Melnyk, and Justice Minister Onishchuk -- did not support the resolution. On March 15, as controversy swelled in the press and at Chernovetskiy's request, Yushchenko temporarily suspended the mayor pending the outcome of an investigation by a supposedly independent commission, chaired by Vasyunyk and Deputy Head of the Presidential Secretariat Bezsmertniy. The Rada established a similar investigative commission on March 7. On-line newsite Ukrainska Pravda noted that the bulk of the President's commission -- including representatives from BYuT and Lytvyn Bloc -- were associates of Presidential Secretariat Head Baloha.

Tymoshenko Pushes Ahead in the Rada

¶4. (C) Perhaps sensing that Yushchenko would not support her request, Tymoshenko turned to the Rada to oust Chernovetskiy. In a surprise March 18 vote, 246 members of the Rada voted

KYIV 00000832 002.2 OF 005

to call new mayoral and city council elections in Kyiv on May

¶25. The vote was supported by all of BYuT, all of the Communists, six members of Lytvyn Bloc (including Lytvyn), and 59 members of OU-PSD. Lytvyn deputy Oleh Zarubinskiy told us that there was a behind-the-scenes deal between Tymoshenko and Russian businessman Konstantin Grigorishin to buy the Communists' votes. Zarubinskiy added that part of his faction voted yes because they had their own candidate for mayor, MP Viktor Pylypyshyn, who also heads the Shevchenko district administration in Kyiv. The 13 OU-PSD MPs who did not support the early elections were noticeable for their links to Baloha and/or Chernovetskiy. Two MPs -- Stanislav Dovhiy and Anatoliy Matviyenko -- have a son and nephew respectively who work for Chernovetskiy, and fought particularly hard against the vote. Matviyenko told the press that the decision would be overturned in court, an opinion echoed by Baloha (however, this has not happened).

No United Candidate

¶5. (SBU) The Central Election Commission announced that it has received 150 applications for mayor and as of April 21 it had already registered 76 of them. Of these candidates, only a few are serious. In a poll conducted at the beginning of April by Ukrainian Sociology Services, Chernovetskiy came in first with 25.4% support. He was trailed by former boxer and Kyiv politician Vitaliy Klychko with 21.3%, former Kyiv mayor (and current OU-PSD MP) Oleksandr Omelchenko with 10.7%, European Party leader Mykola Katerynychuk with 7.8%, Turchynov with 4.4%, and Pylypyshyn with 4%. It is striking that with Chernovetskiy continuing to lead the pack, the coalition was unable to back a single candidate, which has raised speculation about whom the Presidential Secretariat actually supports.

¶6. (C) BYuT MP and Kyiv city council member Volodymyr

Bondarenko told us that there had never been an agreement to have one coalition candidate, which was why they had picked Turchynov. Interior Minister Lutsenko repeatedly called on the coalition to pick one nominee, but his own OU-PSD does not even have its own candidate. Lutsenko himself had wanted to be mayor, but with 3.6% in the polls, he decided not to run. There are three OU-PSD MPs running -- Omelchenko, Katerynychuk, and Pora leader Vladyslav Kaskiv -- but all are self-nominated. Many in OU may be supporting Klychko, who has ties to the orange camp and who almost beat Chernovetskiy in 2006. The former boxer is backed by Kyiv businessmen Dmytro Andriyevskiy and Lev Partskhaladze. Klychko took a recent trip to New York City; he told the Ambassador on April 25 that he had met Rudy Giuliani, who had agreed to come to Kyiv in mid-May and to act as an adviser if Klychko wins. Klychko's press service announced that he also sought advice from Berlin mayor Klaus Wowereit. However, many say Klychko lacks charisma, speaks Ukrainian poorly, and has weak public speaking skills. Klychko issued a statement to the orange coalition asking them to refrain from multiple nominations because "the parade of nominees from BYuT, OU-PSD, and Klychko's bloc had already undermined mutual respect and triggered mutual accusations." Lutsenko tried to organize a meeting between Klychko and Tymoshenko supporters on March 26, but the latter did not show up.

17. (C) Klychko told the Ambassador that he was speaking regularly to Yushchenko, Tymoshenko, Akhmetov, and Yanukovych -- all had offered conditional support, if Klychko would agree to return favors later. However, Klychko stated that he was an independent and didn't want to be beholden to anyone, so the major political forces had all turned to other candidates. He hoped that in the end Tymoshenko and some of the OU-PSD candidates would realize that he was the only candidate with a shot at beating Chernovetskiy and would endorse him closer to the election. Klychko believed one of the reasons Tymoshenko had decided she needed her own candidate was to have leverage over Klychko closer to the vote -- Turchynov might drop out, if Klychko agreed to certain conditions.

18. (SBU) At an April 15 panel discussion, Kost Bondarenko, head of the Gorshein Institute and new adviser to Rada Speaker Yatsenyuk, said Klychko had the second best chance to win, but if he did, Bondarenko did not believe he would be significantly different than Chernovetskiy. Neither had a lot of experience running a city and both came surrounded by business interests. A Klychko victory would not alter the quality of governance only the circle of businessmen benefiting. BYuT MP Bondarenko told us that his bloc was indeed concerned about some of the businessmen in Klychko's circle, especially former Energy Minister Ivan Plachkov, who was accused of engaging in corrupt energy deals. A second political analyst Volodymyr Fesenko said Klychko's rating had

KYIV 00000832 003.2 OF 005

not grown since 2006, suggesting he faces a limit to his popularity. In addition, Fesenko said that Yushchenko and Tymoshenko both believed Klychko will be a weak mayor.

One Round or Two?

19. (SBU) A second dispute has broken out within the coalition and with the President over whether the election should be held in one round -- the current system -- or two. Tymoshenko and most of the coalition are proposing amending the law on local elections to make the mayor's race two rounds, presumably because this would allow for a second round between Chernovetskiy and the top vote-getter from the orange team, increasing the chances of defeating the incumbent. BYuT MP Bondarenko told us that the draft law -- introduced to the Rada by a number of BYuT and OU-PSD MPs -- would make two-round votes the norm for all mayoral elections in the country. However, Yushchenko came out strongly opposed to the idea and has promised to veto the law if it is

passed.

President's Real Agenda?

¶10. (C) Some in BYuT are charging that Yushchenko and his inner circle are actually backing Chernovetskiy, who is supposed to in turn provide financial and political support to Yushchenko's reelection campaign next year. Critics point to the Secretariat and OU's willingness to let a range of candidates from their camp run -- which is expected to drain support from Klychko -- as a sign that they do not actually support Klychko. They also point to the President's opposition to the two-round vote as support for Chernovetskiy. Moreover, on April 24, Yushchenko said the Rada resolution to hold new elections was ungrounded, although he admitted the vote would go forward. On April 8 Baloha issued a letter saying that he strongly supported Klychko and wanted Tymoshenko to do the same. However, some have suggested Baloha may have been calculating that his endorsement would be enough to convince Tymoshenko not to do the same -- she came out the same day to announce BYuT would nominate Turchynov. Klychko himself has openly accused Yushchenko of favoring Chernovetskiy because the President had not commented on the current mayor's corrupt deals and did nothing to prevent the multiple OU candidates -- Yushchenko has never clearly expressed his opinion about Chernovetskiy. BYuT MP Bondarenko also accused Katerynychuk of taking money from business interests that want to see Chernovetskiy reelected.

Don't Count Chernovetskiy Out

¶11. (C) Regions MP Miroshnychenko told us that Tymoshenko had underestimated Chernovetskiy. Despite the jokes about "Leonid Cosmos," the current mayor remains the most popular candidate in the city. He could have appealed the Rada decision in court, but chose not to, suggesting that he accurately calculated that his opponents would be unable to unite around a single challenger. Chernovetskiy has a stable electoral base, which may even be growing as the result of social spending and philanthropic activities. Throughout 2007-2008, Chernovetskiy's administration has distributed food packages to pensioners and paid them periodic 100-200 hryvnia (USD 20-40) "bonuses." On the day the Rada voted to call new elections, Chernovetskiy signed a decree to provide an additional 50 hryvnia a month (USD 10) to 23,000 single mothers. His administration also provides financial assistance to WWII veterans and has given bonuses to doctors and teachers. Chernovetskiy himself funds soup kitchens for the poor. Ukrainska Pravda estimated that in total, Chernovetskiy has provided additional financial resources to 600,000 residents, or 30% of voters. In addition, Chernovetskiy has been putting up billboards since last fall extolling the accomplishments of his administration. In mid-April, he even took a "democratic ride" on the metro in front of television cameras, forgoing his luxury Maybach limo. Also of benefit is that despite all the accusations that Chernovetskiy has engaged in illegal land deals, he has never been charged with anything. There is an investigation pending against unnamed officials in the Kyiv administration for abuse of office while authorizing land sales, but Chernovetskiy does not appear to be a subject of the investigation. Klychko said he had already been to court several times to complain that Chernovetskiy was violating campaign rules by taking personal credit for the budget money he was spending on pensioners -- acting as if the money was coming out of his own pocket. He added, however, that as long as the "bonuses" kept coming, many voters were willing to overlook the rampant corruption in the mayor's office.

KYIV 00000832 004.2 OF 005

¶12. (C) Chernovetskiy's other advantage is that so far he has faced no negative television coverage. He has strong

influence over Kyiv stations (reftel) which have focused newscasts on the conflict within the Rada coalition and with the Prime Minister. In addition, Ukrainska Pravda wrote that several national channels/media holdings -- including Pinchuk's ICTV, Poroshenko's Channel 5, and Tretyakov's media company Glavred, which includes Unian, Glavred, and Gazeta Po-Kyivskiy among others -- have abstained from criticizing the mayor. Chernovetskiy will also benefit from the fact that the elections will be held during Kyiv Days, the last weekend in May, when many residents, especially the younger ones leave town for the weekend, thereby skewing the voting population towards the older voters who tend to support Chernovetskiy.

¶13. (SBU) Kost Bondarenko believed that Chernovetskiy might be reelected, but that he would face a hostile new city council. (Note. Most observers expect BYuT and Klychko bloc to win a large majority on the city council regardless of who becomes mayor. End note.) Therefore, Bondarenko argued, another round of repeat elections might happen down the road. Fesenko also believed that Chernovetskiy had the highest chances of victory. Fesenko said Yushchenko and Chernovetskiy do not have a great relationship, but that the President may be satisfied to leave the current mayor in office because Chernovetskiy could be a loyal mayor and because Yushchenko does not have a good alternative candidate.

The Test for BYuT

¶14. (C) BYuT is by far the most popular party in Kyiv city, but whether Tymoshenko can spin that into a victory for mayor is far from certain. The bloc won 38% of the city's vote in the 2006 Rada elections and 24.6% in the 2006 city council elections and managed to improve, winning 46.2% in the 2007 Rada elections. Many observers and politicians have said Tymoshenko has made this mayoral election a test of the strength of her bloc and her personal popularity. By picking an uncharismatic candidate who has no track record in Kyiv city politics, she is hoping her stamp of approval will be enough to raise his ratings. BYuT MPs have defended the selection -- Semyonha told us that the First DPM was an experienced administrator and professional economist, which was what the city needed. However, Turchynov's ratings are low. Moreover, his membership in the Baptist Church (he is an ordained minister) have led to some jokes and comparisons with Chernovetskiy's membership in the Embassy of God Church and that "no one wants another pastor around here."

¶15. (SBU) Bondarenko and Fesenko both believed Turchynov would come in around fourth place. Fesenko said that Chernovetskiy had attracted the support of one third of BYuT supporters in 2006 -- the question is who will win them this time? If Tymoshenko can get rid of Chernovetskiy, she will have a strong position in the city, but if she fails, she will look weak and her image will be hurt. Fesenko argued that the Kyiv mayor and city council races could serve much the same role that the Mukacheve mayoral election did in 2004 -- an opportunity before the presidential elections to test out strategies and technologies. Therefore, all eyes were on Tymoshenko.

City Council Matters Too

¶16. (C) Klychko told the Ambassador that Tymoshenko's other motivation in putting forward Turchynov was that every party needed a visible leader if it was going to win city council seats and this was a key BYuT goal. Fesenko also said that Turchynov's candidacy would help BYuT win more seats. Klychko explained that gaining a majority on the city council held several attractions for all political forces, and especially for BYuT, which is poised to win a plurality, if not a majority. Kyiv city legislation stipulates that the new mayor must be confirmed by 51% of the city council before he can take office. If he is not confirmed, another round of elections would be called. Klychko ally Andriyevskiy told the press on April 22 that if BYuT and the Klychko Bloc hold

a majority in the new city council, they may refuse to swear Chernovetskiy in, should he be reelected. Klychko told the Ambassador that Tymoshenko's other strategy may be to use its plurality/majority in the city council to force Chernovetskiy to be more compliant. Klychko also believed that one reason Yushchenko might be backing Chernovetskiy is because OU-PSD's Kyiv ratings have dropped and their city council faction is likely to be small, giving them little influence on a new mayor -- better for the President to cut a deal now.

KYIV 00000832 005.2 OF 005

¶17. (SBU) Given the role the city council might play, all parties have stacked their lists with well-known figures. Tymoshenko herself is heading the BYuT list, Lutsenko is number one on the OU-PSD list, and even Regions padded its top five with the Father Superior of the Kyiv Lavra monastery, in addition to MPs Dmytro Tabachnyk and Inna Bohaslovska. (Note. City council members are unpaid and hold sessions only once every three or four weeks, allowing MPs and senior government members to join without violating the constitutional prohibition on holding two positions. End note.)

¶18. (U) Visit Embassy Kyiv's classified website:
www.state.gov/p/eur/kiev.
Taylor